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PRESS RELEASE

Richard S. Hartunian, United States Attorney for the Northern District of New York announced that Susan C. Peters, of Coeymans, pled guilty today to one felony count of failing to disclose information affecting her right to Social Security payments.

Peters, age 46, admitted before Senior United States District Judge Frederick J. Scullin, Jr., that Cherokee Ridge Animal Rescue, Inc., was incorporated in the State of New York in April 1999, with the defendant as Chief Executive Officer. Thereafter, on or about March 1, 2001, the defendant applied for benefits under Title 42, Chapter 7, Subchapter II (Federal Old-Age Survivors, and Disability Insurance Benefits). In that application, the defendant certified that she "became unable to work because of [her] disabling condition on March 7, 2000," and that she was "still disabled" as of the date of the application, and she agreed to notify the Social Security Administration (SSA), among other things, if her medical condition improved so that she "would be able to work" or if she went to work "whether as an employee or a self-employed person." The defendant initially was denied benefits but the defendant appealed, and based upon the information that she provided to the SSA, she was found to be eligible for benefits, which she began receiving in or about November 2002. However, the defendant admitted today that, knowing that her continued operation of the animal rescue affected her initial and continuing right to receive payments, she knowingly and willfully continued to conceal and failed to disclose same to the SSA. Upon discovery of

defendant's activities, the SSA Office of Inspector General asked that her entitlement to benefits be reexamined in November 2005, and, by decision dated August 15, 2006, the Administrative Law Judge concluded that defendant Peters had "concealed information meeting the criteria for reopening [her prior eligibility determination] under fraud or similar fault," and that her activities at the animal rescue "constitute[d] substantial gainful activity" within the meaning of the applicable SSA regulations and rendered her ineligible for benefits. The total amount obtained by defendant Peters as a result of this activity from in or about November 2002 through in or about October 2006 was \$66,452.

Peters was found guilty after trial in Coeyman's Town Court of 18 misdemeanor counts of animal cruelty in March 2006, and was sentenced to 60 days in jail and three months probation. Thereafter, in May 2006, she was sentenced to one year in jail to run consecutively to her prior sentence for criminal contempt. Peters faces a maximum sentence of up to five years imprisonment, a \$250,000 fine, or both, plus mandatory restitution in the amount of \$66,452 on the federal charge to which she pled today, and the parties agreed that a non-incarceration sentence was appropriate in light of her current medical condition and the nature and extent of her prior criminal history. Sentencing in the case was set for **Friday, June 25, 2010, at 12:00 Noon**, before Senior Judge Scullin in Albany.

The investigation in this matter was conducted by the local SSA Office of Inspector General, and the case is being prosecuted by the United States Attorney's Office for the Northern District of New York.

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